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AUG 1, 2007

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

CLASS I PRICE FOR MILK TESTING 3.5%	\$24.31 /CWT
CLASS I BUTTERFAT PRICE PER POUND	\$1.63 /LB

EFFECTIVE SEPTEMBER 1, 2007:

The minimum price to pay milk producers, under ARM 32.24.301, is \$24.31 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 16.3 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.63

PRODUCER CLASS II PRICE IN MONTANA

CLASS II PRICE FOR MILK TESTING 3.5%	\$21.50 /CWT
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Average spray process dry milk solids
price per pound = \$2.13750
Multiplied by 8.2 x 8.2

\$17.52750

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$1.42050
Multiplied by 4.2 x 4.2

\$5.96610

LESS a make allowance of 8.5% (\$23.4936 X .085)

\$17.52750

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+	\$5.96610
-	\$23.49360
-	\$1.99696
=	\$21.49664

Rounded to the nearest whole cent = \$21.50 /hundredweight.

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EFF: September 1, 2007

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CLASS II BUTTERFAT PRICE PER POUND**\$1.58 /LB**

Last quote of the month for Grade AA butter minus a differential of \$.0895	=	\$1.42050 X .111)	=	\$0.15768
Rounded to the nearest half cent			=	\$0.158

Butterfat value per pound
for milk at 3.5% test: **\$1.58**

Hundredweight price of milk testing 3.5% LESS 3.5 pounds of butterfat at	\$1.58 per pound	=	\$21.50
Value of 96.5 pounds of skim		-	\$5.530
		=	\$15.970

CLASS II VALUE OF**ONE POUND OF SKIM****15.970 / 96.5 pounds) = \$0.16549 /LB****PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$18.52 /CWT**

3.5 pounds of butterfat	x	\$1.28 per pound =	\$4.480
96.5 pounds of skim	x	\$0.14548 per pound =	\$14.039
			\$18.519 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.28 /LB**

Last quote of the month for Grade AA butter minus a difference of \$.0895	=	\$1.42050
LESS 10%	-	<u>\$0.14205</u>
		\$1.27845

Rounded to the nearest whole cent = **\$1.28 per pound.**

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$14.54783 /CWT**

Avg. spray process dry milk solid price/lb =	\$2.13750
Multipled by 8.2	x <u>8.2</u>
	<u>\$17.52750</u>
LESS 17%	- <u>\$2.97968</u>
	\$14.54783

Rounded to the nearest whole cent = **\$14.55 per hundredweight.**

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: *Monte Nick*
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$24.31 FOR 3.5% MILK 96.5 LBS = \$18.605			CLASS II SKIM PRICE BASED ON \$21.50 FOR 3.5% MILK 96.5 LBS = \$15.970			CLASS III SKIM PRICE BASED ON \$18.52 FOR 3.5% MILK 96.5 LBS = \$14.039		
Blend Prices		Quota Excess	Blend Prices		Quota Excess	Blend Prices		Quota Excess
Quota	Excess	Quota	Excess	Quota	Excess	Quota	Excess	Quota
Jan-97 \$ 13.25	\$ 11.85	Jul-00 \$ 13.11	\$ 9.21	Jan-04 \$ 14.15	\$ 10.59			
Feb-97 \$ 13.01	\$ 9.83	Aug-00 \$ 13.51	\$ 8.04	Feb-04 \$ 12.75	\$ 11.64			
Mar-97 \$ 13.35	\$ 9.95	Sep-00 \$ 13.38	\$ 9.53	Mar-04 \$ 13.15	\$ 12.48			
Apr-97 \$ 13.84	\$ 9.88	Oct-00 \$ 13.49	\$ 8.14	Apr-04 \$ 14.23	\$ 13.94			
May-97 \$ 13.79	\$ 8.11	Nov-00 \$ 13.40	\$ 10.31	May-04 \$ 14.45	\$ 13.95			
Jun-97 \$ 12.37	\$ 8.09	Dec-00 \$ 12.82	\$ 9.29	Jun-04 \$ 18.35	\$ 12.97			
Jul-97 \$ 12.34	\$ 8.14	Jan-01 \$ 14.01	\$ 10.23	Jul-04 \$ 19.04	\$ 10.58			
Aug-97 \$ 12.41	\$ 9.59	Feb-01 \$ 13.47	\$ 9.91	Aug-04 \$ 17.27	\$ 11.19			
Sep-97 \$ 12.80	\$ 10.38	Mar-01 \$ 12.84	\$ 10.47	Sep-04 \$ 14.63	\$ 11.29			
Oct-97 \$ 13.76	\$ 10.50	Apr-01 \$ 14.10	\$ 11.76	Oct-04 \$ 14.24	\$ 11.17			
Nov-97 \$ 14.05	\$ 11.22	May-01 \$ 14.68	\$ 12.62	Nov-04 \$ 15.26	\$ 11.49			
Dec-97 \$ 14.22	\$ 10.43	Jun-01 \$ 15.78	\$ 13.09	Dec-04 \$ 13.86	\$ 10.66			
Jan-98 \$ 14.16	\$ 10.10	Jul-01 \$ 15.48	\$ 13.36	Jan-05 \$ 15.51	\$ 13.80			
Feb-98 \$ 14.38	\$ 10.11	Aug-01 \$ 16.52	\$ 13.92	Feb-05 \$ 15.67	\$ 10.61			
Mar-98 \$ 14.50	\$ 9.65	Sep-01 \$ 15.74	\$ 14.58	Mar-05 \$ 14.32	\$ 11.99			
Apr-98 \$ 14.50	\$ 9.65	Oct-01 \$ 16.74	\$ 13.29	Apr-05 \$ 15.03	\$ 12.43			
May-98 \$ 13.72	\$ 8.71	Nov-01 \$ 15.40	\$ 12.22	May-05 \$ 14.74	\$ 12.74			
Jun-98 \$ 13.37	\$ 10.65	Dec-01 \$ 14.90	\$ 10.38	Jun-05 \$ 14.57	\$ 11.81			
Jul-98 \$ 12.91	\$ 12.54	Jan-02 \$ 12.99	\$ 10.60	Jul-05 \$ 14.09	\$ 12.30			
Aug-98 \$ 14.53	\$ 13.06	Feb-02 \$ 12.90	\$ 10.78	Aug-05 \$ 15.16	\$ 13.33			
Sep-98 \$ 16.03	\$ 13.37	Mar-02 \$ 12.77	\$ 10.50	Sep-05 \$ 15.47	\$ 12.66			
Oct-98 \$ 16.12	\$ 14.72	Apr-02 \$ 12.72	\$ 10.20	Oct-05 \$ 14.76	\$ 13.77			
Nov-98 \$ 16.34	\$ 15.91	May-02 \$ 12.55	\$ 10.84	Nov-05 \$ 14.97	\$ 13.21			
Dec-98 \$ 17.17	\$ 15.55	Jun-02 \$ 11.51	\$ 8.79	Dec-05 \$ 14.96	\$ 12.29			
Jan-99 \$ 16.94	\$ 10.92	Jul-02 \$ 12.30	\$ 9.46	Jan-06 \$ 14.15	\$ 12.46			
Feb-99 \$ 17.54	\$ 9.92	Aug-02 \$ 11.82	\$ 10.15	Feb-06 \$ 14.08	\$ 12.58			
Mar-99 \$ 16.75	\$ 9.63	Sep-02 \$ 11.86	\$ 10.36	Mar-06 \$ 14.05	\$ 12.55			
Apr-99 \$ 11.95	\$ 10.31	Oct-02 \$ 11.68	\$ 10.11	Apr-06 \$ 12.71	\$ 11.21			
May-99 Missing May		Nov-02 \$ 11.60	\$ 10.66	May-06 \$ 12.44	\$ 10.94			
Jun-99 \$ 12.86	\$ 9.51	Dec-02 \$ 12.04	\$ 10.61	Jun-06 \$ 11.98	\$ 10.48			
Jul-99 \$ 12.85	\$ 11.66	Jan-03 \$ 12.85	\$ 10.61	Jul-06 \$ 11.44	\$ 9.94			
Aug-99 \$ 13.25	\$ 13.11	Feb-03 \$ 11.08	\$ 9.52	Aug-06 \$ 12.24	\$ 10.74			
Sep-99 \$ 14.79	\$ 12.26	Mar-03 \$ 11.31	\$ 9.65	Sep-06 \$ 12.44	\$ 10.94			
Oct-99 \$ 16.32	\$ 10.20	Apr-03 \$ 11.10	\$ 10.06	Oct-06 \$ 12.57	\$ 11.07			
Nov-99 \$ 17.00	\$ 8.10	May-03 \$ 11.17	\$ 9.80	Nov-06 \$ 13.73	\$ 12.23			
Dec-99 \$ 12.68	\$ 8.18	Jun-03 \$ 10.99	\$ 9.49	Dec-06 \$ 13.42	\$ 11.92			
Jan-00 \$ 11.39	\$ 8.14	Jul-03 \$ 11.23	\$ 10.00	Jan-07 \$ 13.91	\$ 12.41			
Feb-00 \$ 12.33	\$ 7.98	Aug-03 \$ 11.65	\$ 12.40	Feb-07 \$ 14.48	\$ 12.98			
Mar-00 \$ 12.15	\$ 8.05	Sep-03 \$ 12.58	\$ 12.67	Mar-07 \$ 14.65	\$ 13.15			
Apr-00 \$ 12.18	\$ 8.03	Oct-03 \$ 14.50	\$ 14.08	Apr-07 \$ 15.17	\$ 13.67			
May-00 \$ 12.35	\$ 7.79	Nov-03 \$ 14.09	\$ 12.38	May-07 \$ 16.11	\$ 14.61			
Jun-00 \$ 12.47	\$ 7.83	Dec-03 \$ 14.60	\$ 11.22	Jun-07 \$ 17.64	\$ 16.14			

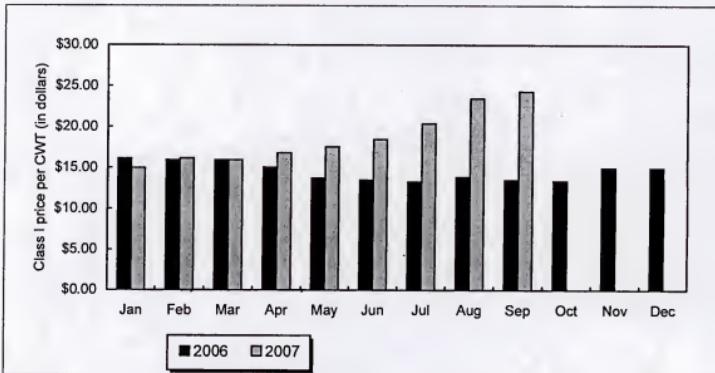
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2006 and 2007

Statistics from the Montana Milk Control Bureau

Month	2006	2007	Difference	% Change
January	\$16.12	\$14.98	(\$1.14)	-7.07%
February	\$15.93	\$16.14	\$0.21	1.32%
March	\$15.93	\$15.94	\$0.01	0.06%
April	\$15.04	\$16.80	\$1.76	11.70%
May	\$13.77	\$17.55	\$3.78	27.45%
June	\$13.52	\$18.47	\$4.95	36.61%
July	\$13.30	\$20.39	\$7.09	53.31%
August	\$13.89	\$23.46	\$9.57	68.90%
September	\$13.52	\$24.31	\$10.79	79.81%
October	\$13.40			
November	\$14.97			
December	<u>\$14.95</u>			
Average	\$14.53	\$18.67	\$4.11	30.23%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

JUNE 2007: class I = \$10.66; class II = \$2.11; Class III = \$4.80; total = \$17.56
 (calculations based upon utilization percentages of butterfat & skim)